

| |
|---|
| <p align="center">2003-2004 ANNUAL REPORT</p> |
|---|

CAPITAL IMPROVEMENT PROGRAM FUNDS (CONT'D.)

Civic Center Parking Fund

The Civic Center Parking Fund accounts for the expenditure of bond proceeds for the new Civic Center off-site parking garage. In 2001-2002, this Fund also accounted for the new Civic Center on-site parking garage.

***Civic Center
Parking Fund***

| | Budget | Actual | Variance | Percent Variance |
|------------------------------|---------------|---------------|-----------------|-----------------------------|
| <i>Revenue</i> | \$ 24,712 | \$ 906 | \$ (23,806) | (96.3%) |
| <i>Expenditure</i> | 29,312 | 3,276 | 26,036 | 88.8% |
| <i>Fund Balance (est. *)</i> | 1,819 * | 2,372 | 553 | 30.4% |

The revenue variance of \$23.8 million is due to lower than budgeted commercial paper proceeds (\$23.6 million) and lower interest earnings (\$206,000). When the 2003-2004 Adopted Capital Budget was developed, it was assumed that the financing for this project would be secured in 2003-2004. It was later decided that the financing would instead be completed in 2004-2005.

Expenditure variances totaled \$26.0 million. Almost all of these savings occurred in the New Civic Center Parking Garage appropriation (\$22.4 million) and the Land Acquisition appropriation (\$3.2 million). Due to legal challenges associated with the City Hall Parking Garage, this project has not proceeded as originally expected. As a result, the expenditure savings were anticipated at the end of the 2003-2004 fiscal year and the majority of these funds were rebudgeted in the 2004-2005 Adopted Capital Budget. The remaining expenditure savings are recommended for rebudget as part of this report. The actual expenditures and encumbrances of \$3.3 million were allocated as follows:

- \$1.7 million was accrued for land acquisition costs.
- \$1.6 million was used for design services, environmental review, soil studies, and project management.

The 2003-2004 ending fund balance was \$553,000 above the estimate used in the development of the 2004-2005 Adopted Capital Budget due primarily to higher than anticipated commercial paper proceeds (\$104,000) and expenditure savings (\$458,000). When the 2004-2005 Adopted Capital Budget was developed, it was known that the project would be delayed. At that point, it was assumed that the majority of the project financing and expenditures would occur in 2004-2005 and the funds were rebudgeted accordingly. The clean-up actions recommended in this report will bring the revenues and expenditures in line with the overall project budget.